

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7806

BILL NUMBER: HB 1678

NOTE PREPARED: Jan 12, 2007

BILL AMENDED:

SUBJECT: Regulation of Hospitals.

FIRST AUTHOR: Rep. Brown C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that it is an incurable deceptive act for a facility that offers health care services to use the term "hospital" in the facility's name or advertising unless the facility is an emergency medical service facility.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Attorney General:* Costs for the Office of the Attorney General could increase to bring actions for deceptive and incurable deceptive acts. The Attorney General may bring actions to enjoin a deceptive act and, for an incurable deceptive act, may bring an action with a civil penalty of not more than \$500 per violation. The funds and resources required above could be supplied through a variety of sources, including collecting from an offender the costs of investigation and bringing an action.

Explanation of State Revenues: *Civil Penalty:* The Attorney General may bring an action on behalf of the state for an incurable deceptive act carrying a civil penalty not more than \$500 per violation. Civil penalties are deposited in the state General Fund.

Court Fee Revenue: In addition to the Attorney General bringing an action, a consumer harmed by the act may bring an action. Also, although the Attorney General does not have to pay court costs, a defendant found guilty could be ordered to pay court fees. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), and the judicial insurance adjustment fee (\$1) are deposited into the state General

Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

State Agencies Affected: Attorney General.

Local Agencies Affected: Trial courts.

Information Sources:

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